

# EXHIBIT 27

**DECLARATION OF BERNARD ARULANANDAM**

I, Bernard Arulanandam, declare as follows:

1. I am the Vice Provost for Research at the Trustees of Tufts College (“Tufts University” or “Tufts”) in Boston, Massachusetts. I have held that position since July 2022. Before that, I oversaw research, economic development and knowledge enterprise work at the University of Texas, San Antonio. As an NIH-funded researcher for over 25 years, I can attest to the crucial role of indirect funds in supporting the infrastructure and systems at universities, which go beyond the direct costs associated with research itself.

2. As the Vice Provost for Research, I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by Tufts University personnel, and could testify thereto.

3. Tufts University receives substantial annual funding from the National Institutes of Health (“NIH”). As of fiscal year 2025, Tufts University is currently receiving \$115.2 million in NIH funds, including \$88.3 million in direct costs and \$26.9 million in indirect costs. This funding is used to support over 200 projects across the University.

4. The Tufts University Health Sciences campuses bring together the resources and activities of Tufts University’s Schools of Medicine, Dentistry, Graduate Biomedical Sciences, and the Friedman School of Nutrition Science and Policy. These nationally recognized institutions depend on NIH support to conduct vital, cutting-edge medical research that benefits millions of Americans. Notably, three of the largest and most impactful NIH-funded projects at Tufts include:

a. Tufts University Clinical and Translational Science Institute (CTSI), one of 60 NIH National Clinical and Translational Science Award (CTSA) hubs at leading US medical research

centers, accelerates translation of biomedical research into impact on patient care and public health. It does this by providing education, research facilities, biostatistics and study design consultation, informatics support, and many other resources. Tufts CTSI has been a national leader in research education, innovations in research design, testing treatments in real-world care, and engaging all stakeholders in the research process, across institutions and disciplines. Since its start in 2008, across New England academic and clinical institutions, Tufts CTSI has provided expert consultations to over 13,000 researchers, supported training of over 100 students and fellows, supported careers of over 30 junior faculty, and has provided research training resources nationally.

b. The Tufts University Center for Integrated Management of Antimicrobial Resistance (CIMAR) is conducting research to protect humanity from the global threat of antimicrobial resistance or “superbugs”. Tufts is studying how drug-resistant microorganisms are outpacing the efficacy of modern medicine (antibiotics, antivirals and anti-parasitics) and threatening to return us to an era when life-threatening infectious diseases like tuberculosis or pneumonia were a death sentence. This NIH-funded research prioritizes stopping the spread of drug-resistant microorganisms by studying relationships among people, animals, environments and food sources.

c. Tufts is also actively researching other forms of vector borne infectious disease, including a longitudinal study of chronic Lyme disease, a tick-borne illness that can result in prolonged and debilitating symptoms in some patients. This NIH-funded study will enroll patients with acute Lyme disease from rural and suburban community health centers over a 5-year period to study the cause, prevention and eventual cure of Lyme disease. As an added benefit, this study

will create one of the world's largest specimen banks for the future study of post-infection syndromes beyond Lyme disease.

5. Indirect costs are essential for supporting this research. The NIH's proposal to cut indirect cost rates to 15% would end or seriously jeopardize all of the research projects described in paragraph 4.

6. Indirect costs include funds to cover Tufts' basic research infrastructure and equipment, including biocontainment laboratories, other bench research facilities, fume hoods, autoclaves, high-speed data processing, security and data storage for sensitive health information, and refrigeration for specimen storage.

7. Physical space costs are one of the largest components of indirect costs, and the facilities available to researchers have a direct and obvious impact on the research that can be done at Tufts. For example, Tufts operates the New England Regional Biosafety Laboratory (RBL), which is a 41,000-square-foot facility dedicated to the study of existing and emerging infectious diseases, toxin-mediated diseases, and medical countermeasures important to biodefense. The RBL provides a safe environment for researchers to conduct studies aimed at developing therapeutics, vaccines, and diagnostic tools. The facility offers Biosafety Level 2 (BSL-2) and Biosafety Level 3 (BSL-3) laboratory suites, an Animal Biosafety Level 3 (ABSL-3) vivarium, and an aerobiology suite. These resources support research on pathogens that may cause serious or potentially lethal diseases through inhalation and are dependent on NIH indirect funding for infrastructure and equipment sustainment, life safety and compliance measures, and technical expertise to support research.

8. In addition, indirect costs fund the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as NIH.<sup>1</sup> These mandates serve many important functions, including protecting human and animal subjects involved in research; ensuring research integrity and compliance; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

9. Recovery of the University's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

10. If—contrary to what Tufts has negotiated with the federal government—the indirect cost rate is reduced to 15%, that would significantly reduce the University's anticipated annual indirect cost recovery. Tufts' fiscal year 2026 budget assumes federal grant funding in line with the current fiscal year. The University's preliminary estimates suggest that a cap of 15% on indirect costs on awards from the Department of Health and Human Services (DHHS) would result in an estimated budget shortfall of \$20 million. Tufts expects this reduction to have the greatest impact on its Boston Health Sciences Campus, which includes Tufts University School of Medicine (TUSM), Tufts University School of Dental Medicine (TUSDM), the Tufts University Graduate School of Biomedical Sciences (GSBS), and the Tufts University Gerald J. and Dorothy R. Friedman School of Nutrition Science and Policy, all of which rely on NIH funding to support their research work and educational programs. However, the impact will be felt deeply across the entire university.

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<sup>1</sup> <https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>

11. Tufts secured grant awards with a higher indirect cost rate and structured its financial planning and hiring decisions based on the expectation of sustaining that funding throughout the life of the grants. This reduction will have deeply damaging effects on the University's ability to conduct research from day one. Most critically, we expect it would immediately result in staffing reductions across the board. For example:

a. It will result in staffing reductions, hiring freezes, and potential layoffs affecting essential research support staff responsible for financial management, administration, compliance, safety, and other critical research facility functions, significantly impacting research operations and support services. Hiring freezes or staff reductions will result in reduced capacity and increased delay in safety monitoring/training, including oversight of hazardous materials (e.g., radiation, chemicals, biologicals), shipping of restricted items, oversight and review of clinical trials and other human subject research. Without appropriate funding for indirect costs, the University would have a reduced ability to secure and manage intellectual property and sensitive data from foreign adversaries due to reduced funds to ensure appropriate data storage, internet, telecommunications, and high-speed computing and data processing. Cuts to administrative, technical, and research support staff, will also lead to delays in grant management, compliance, and essential services.

b. Immediate decisions will also be necessary concerning longer-term investments of University funds. For example, to the extent the University funds may be diverted to continue appropriate levels of research support now covered by indirect costs, Tufts will no longer have the funding to provide start-up funds to new researchers and seed support to allow for growth of new laboratory capabilities. The number of new-internally funded projects and the overall number of laboratories will need to be reduced.

13. Tufts has for decades relied on the payment of indirect costs. And until now, we have been able to rely on the well-established process for negotiating indirect cost rates with the government to inform our budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, post-docs, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management and intellectual property support), and facility and equipment purchases. And in some cases, Tufts has long-term obligations—including tenured faculty salaries and already-admitted PhD students—and it relies on budgeted grant funding, including associated indirect cost recovery, to fulfill these commitments.

14. In addition to the immediate impacts and reliance interests outlined above, there are significant long-term effects that are both cumulative and cascading. A decline in research activity will affect a wide range of businesses that support the physical research infrastructure at Tufts, from construction and maintenance services to specialized repair contractors. Similarly, the reduced demand for research supplies is an obvious consequence.

15. According to the Biotechnology Innovation Organization (BIO), the federal Bayh-Dole Act—which mandates that universities commercialize inventions arising from federally funded research—contributed up to \$1.9 trillion to the U.S. gross domestic product and supported as many as 6.5 million jobs between 1996 and 2020. A reduction in federal funding opportunities threatens to weaken this critical economic engine.

16. According to the Tufts University 2024 Economic and Community Impact Report, Tufts generated \$112.1 million in tax revenue and supported 12,904 jobs in New England in 2023. Disruptions to the University’s research funding, such as an indirect cost rate reduction to 15%, would directly result in reduced tax revenue and employment opportunities at the local and

state level, with downstream impacts on the number of doctors (medicine, dental and veterinary) that are trained and deployed into the U.S. healthcare system. The jobs supported by Tufts research include more than scientists in white coats, they include animal handlers, nurses, dental technicians, and nutritionists.

17. Finally, slowdowns or halts in research by Tufts and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our Nation's national security and its economic dominance. A reduced ability to cover indirect costs could also impact the U.S.'s ability to respond to health crises, threatening national security and diminishing leadership in global health issues like vaccines and medical devices.

18. Nor can Tufts cover the funding gap itself. While Tufts maintains an endowment, it is neither feasible nor sustainable for Tufts to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery, for several reasons:

a. Much of the University's endowment is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs. Tufts is not legally permitted to use those funds to cover research infrastructure costs.

b. Even the portion of the endowment that is unrestricted is subject to a carefully managed annual payout to ensure long-term financial stability for the institution.

c. As a non-profit institution, Tufts reinvests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, Tufts does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students.



19. Moreover, absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on the University—which would in turn force reductions in key investments supporting Tufts’ faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain Tufts’s academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2025, at 75 Kneeland Street, Boston, Massachusetts.

/s/ Bernard Arulanandam  
BERNARD ARULANANDAM

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